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# Message Text

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73
ORIGIN EB-07

INFO OCT-01 AF-08 EUR-12 IO-13 ISO-00 AID-05 TRSE-00 L-03

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---------- 037904
R 220153Z MAY 76
FM SECSTATE WASHDC
TO ALL OECD CAPITALS
INFO AMEMBASSY NAIROBI
USMISSION OECD PARIS
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AMEMBASSY ROME

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ROME FOR FODAG

E.O. 11652: N/A

TAGS: UN, EAID, EFIN, EAGR, WFC

SUBJECT: INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)

1. IN PREPARATION FOR MAY 31 DAC MEETING OF PROSPECTIVE CATEGORY I DONORS TO IFAD, U.S. HAS FORMULATED POSITIONS ON SEVERAL ISSUES ON WHICH DAC MEMBERS SHOULD REACH AGREEMENT AT THE MEETING. EMBASSIES ARE REQUESTED TO PRESENT U.S. POSITIONS OUTLINED BELOW TO HOST GOVERNMENTS
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AND REPORT REACTIONS.

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2. TRIGGER LEVEL: THE U.S. IS COMMITTED TO THE PROVISION IN THE DRAFT AGREEMENT WHICH STIPULATES THAT THE AGREEMENT WILL NOT BE OPEN FOR SIGNATURE UNTIL PLEDGES TOTAL AT LEAST 1 BILLION DOLS. OUR PLEDGE OF 200 MILLION DOLS IS CONTINGENT ON REACHING THIS TOTAL. WE ALSO ARE COMMITTED TO THE PRINCIPLE OF EQUITABLE BURDEN SHARING BETWEEN CATEGORY I AND CATEGORY II DONORS AND WE INSIST THAT PLEDGES OF THESE TWO GROUPS BE ROUGHLY EQUIVALENT. THEREFORE, OPENING OF SIGNATURE WILL REQUIRE PLEDGES OF AT LEAST 500 MILLION DOLS EACH FROM CATEGORIES I AND II. IN THIS LIGHT, WE FEEL IT IS ESPECIALLY IMPORTANT THAT CATEGORY I DONORS BE ABLE TO MEET THEIR GOAL OF 500 MILLION DOLS IN PLEDGES BY THE TIME OF THE PLENIPOTENTIARIES'

MEETING IN JUNE. IF THIS CAN BE DONE, THE PRESSURE WILL BE ON OPEC TO FULFILL ITS COMMITMENT AND COME FORTH WITH 500 MILLION DOLS IN PLEDGES IN ORDER TO TRIP THE TRIGGER AND OPEN THE IFAD AGREEMENT FOR SIGNATURE.

3. AS OF NOW, OPEC HAS PLEDGED 400 MILLION DOLS WITH THE CONDITION THAT CATEGORY I DONORS PLEDGE 600 MILLION DOLS. CLEARLY, THIS IS NOT AN EQUIVALENT DIVISION OF THE INITIAL CAPITALIZATION AS AGREED IN EARLIER IFAD NEGOTIATIONS AND AS STRONGLY IMPLIED BY THE VOTING STRUCTURE IN THE DRAFT AGREEMENT. IF OPEC REMAINS FIRM IN THIS POSITION, IT APPEARS THAT THE IFAD AGREEMENT WILL NOT BE OPEN TO SIGNATURE AT THE JUNE MEETING. IN THIS CASE, THE PLENIPOTENTIARY CONFERENCE WOULD THEN ADOPT THE RESOLUTION PREPARED AT THE LAST MEETING OF INTERESTED GOVERNMENTS (A/CONF. 73/5), WHICH WOULD THEN AUTHORIZE THE SECRETARY GENERAL OF THE UN TO ACCEPT ADDITIONAL PLEDGES UNTIL THE TARGET OF 1 BILLION DOLS IS REACHED AT WHICH TIME THE AGREEMENT WOULD BE OPENED FOR SIGNATURE.

4. TRANCHING: THE U.S. IS CONCERNED ABOUT THE ANNOUNCEMENTS BY SEVERAL DAC COUNTRIES THAT THEIR CONTRIBUTIONS WILL BE PAID IN INSTALLMENTS. THE U.S. HAS BEEN INFORMED BY UN LEGAL COUNSEL THAT IN HIS VIEW ONLY THE FIRST INSTALLMENT OF SUCH CONTRIBUTIONS CAN BE LIMITED OFFICIAL USE



INCLUDED IN THE 1 BILLION DOLS TARGET FOR OPENING FOR SIGNATURE, AND THE 750 MILLION DOLS FOR ENTRY INTO FORCE. SINCE COUNTRIES IN CATEGORIES II AND III COULD USE THIS ISSUE AS A BASIS FOR CHARGING THAT CATEGORY I HAS NOT FULFILLED ITS COMMITMENT TO PLEDGE 500 MILLION DOLS, THE U.S. IS ANXIOUS THAT THE 500 MILLION DOLS TARGET FOR PLEDGES FROM CATEGORY I BE MET WITH PLEDGES OF CONTRIBUTIONS PAYABLE IN ACCORDANCE WITH ARTICLE 4,

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SECTION 2 (C), THAT IS WITHIN 30 DAYS OF THE ENTRY INTO FORCE, OF THE AGREEMENT.

PREPARATORY COMMISSION

5. MEMBERSHIP: U.S. BELIEVES THERE SHOULD BE A DIRECT RELATIONSHIP BETWEEN A COUNTRY'S CONTRIBUTION TO IFAD AND MEMBERSHIP ON THE PREPARATORY COMMISSION AND WE WOULD EXPECT ONE OF THE SIX SEATS REPRESENTING CATEGORY I. SINCE AGREEMENT ON FULL SIX MEMBERS ON MAY 31 WOULD BE ADVISABLE, WE WOULD WELCOME HOST COUNTRY SUGGESTIONS AND CONSULTATIONS PRIOR TO MEETING SO THAT AGREEMENT CAN BE REACHED AT THAT TIME.

6. STEERING COMMITTEE: WITH REGARD TO WORK OF THE PREPARATORY COMMISSION, U.S. BELIEVES A MEANS MUST BE

FOUND TO ENSURE DIRECT INVOLVEMENT IN AND SUPERVISION OF SECRETARIAT WORK BY MEMBER GOVERNMENT OFFICIALS, PARTICULARLY BETWEEN MEETINGS OF THE COMMISSION. FOR THIS PURPOSE WE WOULD ENVISAGE A NINE-MEMBER STEERING COMMITTEE, OPERATING ON A FULL-TIME BASIS IN ROME, PERHAPS CONSISTING OF 3 MEMBERS FROM EACH CATEGORY. STEERING COMMITTEE COULD BE HEADED BY CHAIRMAN OF COMMISSION, OR A VICE CHAIRMAN, AND BE DELEGATED BROAD AUTHORITY FOR DECISION MAKING BETWEEN PREPARATORY COMMISSION SESSIONS.

7. OFFICERS AND VOTING: ON MATTER OF OFFICERS FOR PREPARATORY COMMISSION, U.S. VIEW IS THAT A CHAIRMAN AND TWO VICE CHAIRMEN WOULD BE APPROPRIATE. WE REGARD CHOICE OF COMPETENT OFFICIALS AS HIGHLY IMPORTANT TO SUCCESS OF COMMISSION AND WILL BE ANXIOUS DISCUSS THIS LIMITED OFFICIAL USE

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ISSUE WITH DAC. OUR ASSUMPTION IS ONLY ONE OF THREE OFFICERS COULD BE FROM CATEGORY I COUNTRY. WITH REGARD TO DECISIONS IN THE COMMISSION, OR THE SUGGESTED STEERING COMMITTEE, U.S. WOULD HOPE THE DAC COUNTRIES WOULD AGREE THESE SHOULD BE REACHED BY CONSENSUS AS PRESENTLY PROVIDED FOR IN A FOOTNOTE TO ANNEX IV OF THE REPORT OF INTERESTED GOVERNMENTS. ROBINSON

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